United Nations A/AC.109/2014/9

General Assembly

Distr.: General
20 February 2014

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Turks and Caicos Islands

Working paper prepared by the Secretariat

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Note: The information contained in the present working paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 31 December 2013. Further details are contained in previous working papers, available from www.un.org/en/decolonization/workingpapers.shtml.

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The Territory at a glance

Territory: The Turks and Caicos Islands is a Non-Self-Governing Territory under the Charter administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administering Power: Governor Peter Beckingham (October 2013).

Geography: The Territory comprises 40 islands and cays, and lies 145 km north of Haiti and the Dominican Republic and 925 km south-east of Miami, United States of America. Six islands are permanently inhabited: Grand Turk, where the capital is located; Providenciales, the business and tourist centre with the great majority of the population; North, Middle and South Caicos; and Salt Cay.

Land area: 948.2 km²

Exclusive economic zone: 154,068 km²[a]

Population: 31,458 (2012 census), comprising 42.5 per cent citizens or "belongers" and 57.5 per cent "non belongers" from the region, North America and Europe.

Language: English

Capital: Cockburn Town

Head of territorial Government: Rufus Ewing (November 2012)

Main political parties: Progressive National Party, People's Democratic Movement

Elections: Most recent: 9 November 2012; next: 2016

Legislature: House of Assembly

Gross domestic product (GDP) per capita: $16,500 (2012 estimate)

Economy: Tourism, financial services, construction

Unemployment rate: 8.5 per cent (2012 estimate)

Monetary unit: United States dollar

Brief history: The first inhabitants of the islands were the Arawaken-speaking Taino people. In 1799, they were annexed by Britain as part of the Bahamas and subsequently Jamaica. They became a separate colony of the United Kingdom in 1962, when Jamaica achieved independence, although there were close constitutional ties with the Bahamas. After the Bahamas became independent, in 1973, a governor replaced the former administrator for the Turks and Caicos Islands.

[a] Exclusive economic zone data from the "Sea Around Us" project, a collaboration between the University of British Columbia and the Pew Environment Group (see www.seaaroundus.org).

I. Constitutional, legal and political issues

1. Under the 2006 Constitution negotiated between the elected territorial Government and the United Kingdom, the Turks and Caicos Islands operated until the suspension of the Constitution in August 2009 on the basis of a ministerial system of government (see also A/AC.109/2013/12). The Governor appointed by the British Crown is responsible for external affairs, defence, internal security, including the police force, and some public service matters. The legislature consists of the British Crown and the House of Assembly, comprising the Speaker, fifteen elected members, four appointed members and the Attorney General. Ten members are elected to represent one electoral district each, and the remaining five by territory-wide vote.

2. On 14 August 2009, the United Kingdom brought into force legislation that, among other things, suspended parts of the 2006 Constitution, removing the ministerial Government and the House of Assembly. The United Kingdom stated that that action had been motivated by mounting evidence, uncovered by a commission of inquiry, of systemic corruption in the Government and legislature and among public officers.

3. Between August 2009 and November 2012, the Governor worked under interim constitutional arrangements with an advisory council and a consultative forum. Each was constituted by islanders appointed by the Governor. This arrangement was referred to as the "interim Government", the "interim Administration" or "direct rule".

4. The Turks and Caicos Islands Constitution Order 2011, which entered into force on 15 October 2012, provides for:

- a governor as the head of the Government
- a house of assembly composed of elected and appointed members and the attorney general
- a cabinet
- ministers appointed from among those elected or appointed members

5. It also provides for the judiciary, the public service and a number of institutions protecting good governance, notably an integrity commission, a human rights commission, an auditor general and a director of public prosecutions. Provisions are also made about Crown land and public financial management. Under the Order, the British Crown reserves the power, with the advice and consent of the Privy Council of the United Kingdom, to make laws for the peace, order and good government of the Territory.

6. On 9 November 2012, elections were held with an 84 per cent turnout of voters. The Progressive National Party, which was in office when the ministerial Government was removed in 2009, won eight seats and the People's Democratic Movement won seven seats. The leader of the Progressive National Party, Rufus Ewing, was sworn in as Premier on 13 November 2012, returning elected government rule to the Turks and Caicos Islands. Shortly after the elections, petitions were received by the relevant courts challenging the election results in some constituencies. After due consideration, the courts found that one of the results should be annulled. In February 2013, the Governor announced that a by-election

would be held for the Cheshire Hill and Richmond Hill District the following month. It was subsequently won by the candidate of the Progressive National Party, and Mr. Ewing remained the Premier.

7. The law of the Territory consists mainly of locally enacted statutes, along with some laws enacted in the United Kingdom and English common law. The court system includes magistrates' courts, the Supreme Court and the Court of Appeal, with ultimate recourse to the Judicial Committee of the Privy Council. On the advice of a judicial service commission, the Governor appoints judges and magistrates. The British Overseas Territories Act 2002 provides for the granting of British citizenship to British overseas territory citizens.

8. In February 2013, the Caribbean Community noted with grave concern that, although the elections of November 2012 had led to the restoration of representative government in the Territory, the overall state of political affairs remained less than desirable and the restoration of true democracy was still a long way off. It dispatched a ministerial fact-finding mission to the Turks and Caicos Islands from 24 to 26 June 2013. According to media reports, the mission's internal report contained a number of recommendations, including the holding of a referendum on the acceptance of British rule under the current constitution.

9. For its part, in September 2013 the House of Assembly established a constitutional review committee which, following public consultations, was expected to formulate a document on constitutional matters for presentation to the administering Power.

II. Budget

10. The Government of the Turks and Caicos Islands is committed to achieving a fiscal surplus in the financial year ending March 2014, in line with the approved 2013-2014 budget. Significant challenges remain and continuing tight cost control is required to deliver the budgeted revenue surplus. The 2013-2014 budget statement comprised approximately $189.5 million for recurrent expenditures and $14.6 million for capital expenditures.

11. The territorial Government levies no taxes on corporate or personal income, capital gains or inheritance. Foreign corporations pay licence fees to operate in the Territory. In 2013, consideration was given to implementing a general service tax and an environmental levy, in addition to broadening hotel and restaurant taxes.

12. According to the administering Power, the Territory should receive €15 million under the tenth European Development Fund, while preparations have been made to facilitate access to the eleventh European Development Fund allocation of €19 million.

III. Economic conditions

A. General

13. The main sectors of the economy are tourism and financial services. According to the Strategic Policy and Planning Department of the territorial Government, the Territory's gross domestic product in 2012 was about $541 million.

14. In 2013, the territorial Government agreed to establish a public-private sector forum to provide a space for consultation on matters concerning inward investments and development. It also concluded a memorandum of understanding with the Bankers' Association for a community-based, not-for-profit small business development programme, which is expected to provide valuable support to those looking to establish small to medium enterprises in the Turks and Caicos Islands.

B. Tourism and construction

15. Tourism continues to be the Territory's primary industry, accounting for more than 40 per cent of its gross domestic product, where both foreign investors and visitors, mainly from Canada, the United Kingdom and the United States of America, play a significant role. In 2012, visitor arrivals increased by 4.2 per cent over the previous year, totalling approximately 967,000 persons. There were some 677,000 cruise arrivals, i.e. an increase of about 3 per cent. The vast majority of tourists continue to be accommodated at resorts on Providenciales.

16. In 2013, the territorial Government approved a tourism policy strategy to promote intra-island and intra-regional travel of tourists visiting the Turks and Caicos Islands. In this connection, it tasked the Tourist Board with beginning discussions with airlines servicing the region and neighbouring countries in order to develop multi-destination packages, with a view to giving tourists from the Bahamas, Cuba, the Dominican Republic and Haiti the opportunity to visit the Territory on day trips or for overnight stays.

17. Construction output, which is closely linked to capital investment in the tourism sector and represents less than 10 per cent of the gross domestic product, fell by more than 9 per cent in 2012. This was also reflected in a decline in the import of building materials. Construction activity, however, is expected to surge in 2014 as a result of foreign direct investment in large-scale tourism-related projects and of a number of public road works.

C. Financial services

18. International financial services, including company registration, trust business and insurance, are a major source of external revenue for the Turks and Caicos Islands. The Territory's financial services sector is centred on automobile industry reinsurance in the United States. There are seven commercial banks in the Territory, three of which are Canadian. The licensing, supervision and development of the international financial services sector are entrusted to the Turks and Caicos Islands Financial Services Commission, which also provides a centralized service for registering companies, partnerships, trademarks and patents in the Territory.

According to the Commission's annual report, the industry remains strong. The asset base of the banking sector stands at $1.73 billion. The Territory has seen continued growth in its international insurance sector, with a total of 765 licences issued by the Insurance Department.

19. According to the administering Power, the territorial Government continues to seek treaty partners for tax information exchange agreements. The Global Forum on Transparency and Exchange of Information for Tax Purposes of the Organization for Economic Cooperation and Development undertook Phase 1 of its peer review process in 2011, while Phase 2 was carried out in March 2013. In October 2013, the Global Forum issued a draft report on the assessment of the second phase, indicating that the Territory was largely compliant with its standards. In November of the same year, the report was adopted by the Global Forum at its meeting in Jakarta.

20. Nevertheless, in an assessment conducted for the Financial Secrecy Index that was issued in the same month, the Territory was considered to be towards the top end of financial secrecy arrangements. It was noted that the Territory had still to make major progress in offering satisfactory financial transparency.

D. Agriculture and fisheries

21. Agriculture and fisheries account for approximately 1 per cent of the Territory's GDP. Agricultural production is limited by the lack of fresh water and consists mainly of the growing of vegetables and citrus fruits on the Caicos Islands. According to the administering Power, there are no large or medium commercial producers for either crops or livestock, with the exception of small farms and one pig farm of note.

22. Fishing is the Territory's main primary sector industry, with at least 250 employees. A recent pelagic fishing study found that the Territory produces as much as 5,000 pounds of tuna, swordfish, mahi-mahi and other deep-water fish per year for the local and export markets. In 2013, the United Kingdom supported the Turks and Caicos Islands in developing a sustainable fishing industry.

E. Communications and utilities

23. The Territory's transport and communications facilities are of fairly good quality. The road network covers about 120 km, with 24 km of paved roads on Grand Turk, Providenciales and the Caicos Islands.

24. The Territory has three international airports: the main one on Providenciales, and smaller ones on Grand Turk and South Caicos. Flights are available to a number of cities in the United States and Canada, as well as London. Air Turks and Caicos operates services to the Bahamas, the Dominican Republic, Haiti and Jamaica. In 2011, the runway of the Providenciales international airport was extended, while work began on a significant enlargement of the terminal building in 2013.

25. The main commercial port of South Dock is situated on Providenciales. Grand Turk has a commercial port and a cruise ship terminal. North Caicos has a deep-water port.

26. Three telecommunications companies provide national and international telephone services in the Territory. There are a handful of cable television channels on Grand Turk, more than two dozen channels on Providenciales and six radio stations. A number of weekly papers also maintain websites.

27. According to official sources, the Territory has a monopoly supplier of electricity that produces electricity exclusively from diesel-powered generators. Numerous studies have indicated that, owing to the excessive cost of electricity generation, solar and wind technologies would not only be economically viable, but also offer a less expensive alternative for private individuals. Given the Territory's abundant solar and wind resources, the territorial Government began to explore the use of those renewable energies in 2013, for example through the possible development of pilot microgrids on West Caicos. In February 2014, it announced its commitment to supporting long-term plans to move the Territory towards renewable sources of energy.

IV. Social conditions

A. General

28. In its 2012 preliminary census report, the Territory noted that, of the total population of 31,458, 16,037 were male and 15,421 were female. Approximately 74 per cent of the total population were over 18 years of age. According to official information, there are people from approximately 70 countries living in the Turks and Caicos Islands.

29. The National Insurance Board of the Turks and Caicos Islands, a statutory body of the territorial Government, is the sole provider of social insurance benefits to persons who are gainfully employed within the Territory between the ages of 16 and 65 years. According to official sources, a number of families are considered to be living below the poverty line and a Territory-wide poverty assessment conducted in 2013 is expected to help to establish priorities to assist the poor. The Department of Social Development and Gender Affairs continues to assist the poor and vulnerable through various programmes, including free medical care.

30. The territorial Government also decided in 2013 to prepare a young adult empowerment policy with a number of goals that it hopes to achieve by 2020, including a significant increase in the percentage of young islanders being employed in a managerial position, owning a first home by the age of 35 years, owning a business, gaining access to tertiary education and having a certified employable skill. The Government intends to facilitate this policy through initiatives and incentives focused on empowering people between 18 and 35 years of age and on expanding the middle socioeconomic class.

B. Labour and immigration

31. The public sector continues to be the Territory's main employer, occupying nearly one fifth of the working population. Other employment sectors include tourism, construction and international financial and business services.

32. Preliminary data from the 2012 census indicate that the population of non belongers has increased, hailing from Haiti, the Dominican Republic, Jamaica and elsewhere in the Caribbean. The number of Filipino, European and American employees moving to the Territory has also increased.

33. According to the administering Power, the Territory has put in place since 2012 a transparent and simplified system to obtain British overseas territory citizenship and Turks and Caicos Islander status. It has also introduced guidance and amendments to its immigration ordinance.

C. Education

34. Education in the Territory is free and compulsory for children from 4 to 16 years of age. There are 47 schools, with a total enrolment of approximately 5,200 pupils, covering from preschool up to tertiary education. Of those, 14 are run by the territorial Government, 10 are primary schools and 4 are secondary schools. While there are more private schools than public schools, approximately 80 per cent of pupils are enrolled in public schools. According to the administering Power, there are two schools for children with special needs. The adult literacy rate among islanders is estimated at 98 per cent, while that of immigrants is much lower.

35. In 2013, the Territory began preparations for a five-year strategic education sector plan. An initial study, undertaken with the support of the United Nations Children's Fund, identified strategic priority areas, including provision of additional school places, leadership and management, teachers' professional expertise, curriculum development, technical and vocational training, and tertiary and continuing education.

36. With respect to higher education, a community college with branches on Grand Turk and Providenciales provides two-year and four-year courses. Citizens from the overseas territories benefit from the home student fee rate at British universities. The decision that the Council of the European Union adopted in 2013 on the association of the overseas countries and territories with the European Union provides for access to, among others, European Union funds, such as those for higher and vocational education.

D. Public health

37. Medical facilities in the Turks and Caicos Islands have recently been improved with the opening of new hospital facilities operated by Interhealth Canada on Providenciales and Grand Turk. They conduct a range of activities, including diagnostic services, primary care and outpatient specialty clinics, emergency services and inpatient care. Serious cases are still referred overseas, usually to Miami or Nassau. According to the administering Power, the Ministry of Health and Human Services elaborated a national strategic health plan in 2012/13. Early in 2014, the territorial Government formed a medical tourism steering committee to develop policies for the operation of medical tourism activities in the hospitals on Providenciales and Grand Turk.

E. Crime and public safety

38. The crime rate in the Turks and Caicos Islands remains low and consists mainly of theft and burglary; however, it also involves some violent crime, such as armed robbery and sexual assault. Little gang-culture crime was reported in 2013. According to the administering Power, there were numerous illegal migrant sloop landings and interdictions of such landings in 2013. Drug seizures within the Territory remain low.

39. In 2013, the United Kingdom funded a law enforcement adviser based in Miami who coordinates, manages and facilitates training and strategic advice to introduce new techniques and skills for the Territory's law enforcement agencies, while *HMS Lancaster* and Royal Fleet Auxiliary *Wave Knight* were on patrol in the Caribbean and North Atlantic to provide disaster relief and humanitarian assistance as needed. They were also engaged in counter-narcotics and interdiction patrols. Both ships made reconnaissance visits to the Territory to improve their coordination with local disaster management bodies.

40. As previously reported, a large criminal investigation resulted in more than 10 people (including a former Premier and Cabinet ministers) being charged with serious criminal offences. According to the administering Power, most of those will face plea and directions hearings in 2014, with investigations and prosecutions to proceed independently of the elected Government, given that it is for the courts to pass judgement. The former Premier, Michael Misick, who was arrested in Brazil in 2012, was extradited to the Turks and Caicos Islands in 2014. Released on conditional bail by the Supreme Court in January 2014, he faces charges of conspiracy to receive bribes and to defraud the Government and of money-laundering relating to his time in office. He is expected to appear at the Supreme Court for a sufficiency hearing later in 2014. As at December 2013, some 3,000 acres of Crown land had been recovered and various financial settlements received, for an amount of approximately $20 million.

F. Human rights

41. The following major human rights conventions have been extended to the Turks and Caicos Islands: the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; the Convention on the Rights of the Child; the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; the Convention on the Elimination of All Forms of Discrimination against Women; and the International Convention on the Elimination of All Forms of Racial Discrimination. Furthermore, the European Convention on Human Rights applies to the Turks and Caicos Islands and individuals have the right to bring cases to the European Court of Human Rights when no other remedy exists in the Territory. Building on the comprehensive review of local laws that the Human Rights Commission of the Turks and Caicos Islands conducted in 2012 to identify weaknesses in the legislation for compliance with the Convention on the Elimination of All Forms of Discrimination against Women, draft laws were prepared during 2013 for consideration by the territorial Government. Furthermore, work continued to implement the Equality Ordinance 2012, which clarifies the protections from discrimination set out in the Constitution.

42. In February 2014, the territorial Government received a delegation from the Office of the United Nations High Commissioner for Refugees to discuss areas for possible cooperation. Under the 1951 Convention Relating to the Status of Refugees, the Territory has a number of obligations and requirements to fulfil. The Office had previously provided training and advice to the Territory on dealing with asylum and related matters.

V. Environment

43. The Territory's Department of Environment and Maritime Affairs is responsible for the conservation, protection and management of natural resources, including wetlands, which cover nearly 50 per cent of the surface of the islands. Most of the Territory's tourism-based economy hinges on maintaining a natural environment of high quality. While Providenciales is heavily developed, many of the other islands in the archipelago remain largely ecologically intact.

44. The Territory regularly participates in regional meetings sponsored by the Caribbean Regional Fisheries Mechanism, at which planning for sustainable fisheries and disaster risk management are discussed along with climate change issues. The administering Power also continues to provide funds for projects focused on environmental sustainability, including lobster fishing.

45. In January 2014, the Environmental Audit Committee of the House of Commons of the United Kingdom issued a report on sustainability in the United Kingdom overseas territories, in which it identified financial and institutional concerns regarding threats to unique habitats and species and the protection of biodiversity.

46. In the report, the Committee stated that, during its inquiry, the Government of the United Kingdom had expressed general but unspecified aspirations to cherish the environment in the overseas territories, but had been unwilling to acknowledge or to address its responsibilities under United Nations treaties. That was found to be disappointing because the environment in the overseas territories was globally significant and comprised 90 per cent of the biodiversity for which the Government of the United Kingdom had responsibility. According to the Committee, the Government had failed to negotiate the extension of the Convention on Biological Diversity — the flagship United Nations policy on biodiversity protection — to all the overseas territories and had not ensured the accurate monitoring of biodiversity there. The Committee said that, in environmental terms, the white paper on the overseas territories published in 2012 was considered a missed opportunity.

47. Among the conclusions, the Environmental Audit Committee mentioned that:

(a) In the light of the international significance of the biodiversity in the overseas territories, 13 years was too long a gap between white papers on overseas territories;

(b) The Government of the United Kingdom was prepared to exercise hard and soft power in relation to financial matters in the overseas territories, but it was apparently not prepared to exercise those powers to protect biodiversity and to promote environmental sustainability;

(c) The four overseas territories to which the Convention on Biological Diversity had been extended (the British Virgin Islands, Gibraltar, Saint Helena and the Cayman Islands) had not been effectively included in biodiversity reporting by the United Kingdom; it was felt that compliance with the stipulations of the Convention was ultimately a responsibility of the United Kingdom;

(d) Without enhanced monitoring, the Department for Environment, Food and Rural Affairs of the United Kingdom could not accurately report under the Convention on Biological Diversity on the full extent of biodiversity in the overseas territories and therefore measure progress towards the commitment to halt biodiversity loss by 2020.

48 With respect to the Turks and Caicos Islands, the Committee indicated that the Territory lacked baseline standards on development control, such as statutory environmental impact assessments for major developments and strategic development plans. In addition, on Providenciales, the privatization and development of public lands had inter alia substantially degraded environmental resources. The Committee also pointed out that, during the 2009/12 period of direct rule, the interim Government had moved backwards on some aspects of sustainable development and environmental management, such as the encouragement of high-rise developments and the amendment of existing regulations on the protection of marine mammals.

VI. Relations with international organizations and partners

49. The Turks and Caicos Islands has associate membership in the Economic Commission for Latin America and the Caribbean, including in the Commission's Caribbean Development and Cooperation Committee.

50. The Turks and Caicos Islands is an associate member of the Caribbean Community (see para. 7 above for information on the ministerial fact-finding mission to the Territory from 24 to 26 June 2013). The Territory is a member of the Caribbean Development Bank, the International Criminal Police Organization and the Caribbean Financial Action Task Force. Furthermore, it is a member of the Caribbean Regional Fisheries Mechanism and an associate member of the Association of Caribbean States.

51. As a Non-Self-Governing Territory of the United Kingdom, the Territory is associated with the European Union but is not a part of it. Since January 2014, the Territory has been a partner under the above-mentioned decision of the Council of the European Union, approved, among other things, in an effort to move away from a classic development cooperation approach to a reciprocal partnership that promotes sustainable development and the values and standards of the Union in the wider world. Information on grant aid provided to the Territory by the European Union can be found in section II above.

VII. Future status of the Territory

A. Position of the territorial Government

52. Information on political and constitutional developments is contained in section I above.

B. Position of the administering Power

53. On 11 October 2013, at the 7th meeting of the Special Political and Decolonization Committee (Fourth Committee) during the sixty-eighth session of the General Assembly, the representative of the United Kingdom stated that the relationship of the Government of the United Kingdom with its overseas territories was modern and based on partnership, shared values and the right of the people of each territory to determine whether to remain British. Should the people of a territory choose to remain British, the United Kingdom would maintain and deepen its special relationship with them.

54. He went on to say that since the publication in June 2012 by the Government of the United Kingdom of a white paper entitled *The Overseas Territories: Security, Success and Sustainability*, the United Kingdom had been working closely with the territories to develop that partnership further. His Government had a fundamental responsibility to ensure the security and good governance of its overseas territories. The United Kingdom had strengthened the annual meeting with territory leaders into a joint ministerial council and had given it a clear mandate to lead work to review and implement the strategy and the commitments set out in the white paper (see A/C.4/68/SR.7).

55. At the second meeting of the Overseas Territories Joint Ministerial Council, held in London on 26 November 2013, the United Kingdom and overseas territory leaders agreed upon a communiqué that included the following passage setting out the joint position of the United Kingdom and the overseas territories on self-determination:

> We reiterate our commitment to continuing to build a modern relationship based on partnership, shared values and the principle of self-determination. The people of each territory have the right to choose whether or not their territory should remain a British overseas territory or to seek an alternative future.
>
> ...
>
> The right of self-determination is enshrined in the Charter of the United Nations. We believe that the people of all overseas territories have a right to determine their own futures, to decide on the path they wish to take and to maintain freely their constitutional link with the United Kingdom if that is their choice. Being a British territory entails a balance of benefits and responsibilities. We affirm a commitment to shared values, high standards of governance and building a stronger partnership. Any decision to break the constitutional link should be on the basis of the clear and constitutionally expressed wish of the people of the Territory. We believe that the United Nations Decolonization Committee should delist territories where this is their wish.
>
> Each territory is unique and has its own constitution. We will continue work to complete the process of constitutional modernizations so that territories have the greatest self-government possible.

C. Action by the General Assembly

56. On 11 December 2013, the General Assembly adopted without a vote resolutions 68/95 A and B, based on the report of the Special Committee (A/68/23) and the subsequent recommendation by the Fourth Committee. Section X of resolution 68/95 B concerns the Turks and Caicos Islands. In the operative paragraphs of that section, the General Assembly:

1. *Notes with grave concern* the ongoing situation in the Turks and Caicos Islands, and notes the efforts of the administering Power to restore good governance, including through the introduction in 2011 of a new constitution and the holding of elections in November 2012, and sound financial management in the Territory;

2. *Notes* the positions and repeated calls of the Caribbean Community and the Movement of Non-Aligned Countries in support of a democratically elected territorial Government;

3. *Also notes* the extensive public consultations undertaken by the Constitutional and Electoral Reform Adviser and the continuing debate on constitutional and electoral reform within the Territory, and stresses the importance of participation by all groups and interested parties in the consultation process;

4. *Stresses* the importance of having in place in the Territory a constitution that reflects the aspirations and wishes of the people of the Territory, based on the mechanisms for popular consultation;

5. *Requests* the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter, and in that regard calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

6. *Welcomes* the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

7. *Also welcomes* the continuing efforts made by the territorial Government addressing the need for attention to be paid to the enhancement of socioeconomic development across the Territory.

United Nations A/AC.109/2014/10

General Assembly

Distr.: General
21 February 2014

Original: English

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Montserrat

Working paper prepared by the Secretariat

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The Territory at a glance

Territory: Montserrat is a Non-Self-Governing Territory under the Charter administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administering Power: Governor Adrian Derek Davis (since April 2011).

Geography: Situated in the Leeward Islands in the eastern Caribbean, 43 km south-west of Antigua and 64 km north-west of Guadeloupe. The entire island is volcanic. In July 1995, the Soufrière Hills volcano, which had been dormant for more than 400 years, erupted with devastating effects, including the destruction of the capital, causing the evacuation and relocation of about 70 per cent of the population from the southern part of the island. The effects of that eruption and subsequent lighter volcanic activity are still being felt.

Land area: 103 km².

Exclusive economic zone: 7,582 km².[a]

Population: 5,000 (2012 estimate).

Language: English.

Capital: Plymouth, abandoned in 1997 following the volcanic eruption. A new urban centre is being developed at Little Bay.

Head of territorial Government: Premier Reuben Meade.

Main political parties: Movement for Change and Prosperity; New People's Liberation Party.

Elections: Last held in September 2009; next elections to be held in September 2014.

Legislature: Nine-member Legislative Assembly.

Gross domestic product per capita: $9,500 (2012 estimate).

Economy: Financial services, investments, construction.

Main trading partners: Canada, Japan, Trinidad and Tobago, United States of America.

Unemployment rate: 13 per cent (2012 estimate).

Monetary unit: East Caribbean dollar (EC$ 2.70 equals $1).

Brief history: Columbus named Montserrat after a monastery in Spain. The first European settlers, mostly Irish, arrived in 1632. The island later became a haven for indentured Irish servants transported to the British West Indies. A major slave uprising occurred on St. Patrick's Day in 1768. In the eighteenth century, Montserrat was intermittently occupied by France, prior to its confirmation as a British Territory in 1783. It became a British Crown Colony in 1871. Following the break-up of the Federation of the West Indies in 1962, Montserrat opted for Crown Colony status rather than associated statehood.

[#] Exclusive economic zone data from the "Sea Around Us" project, a collaboration between the University of British Columbia and the Pew Environment Group (see www.seaaroundus.org).

I. Constitutional, political and legal issues

1. Under the Montserrat Constitution Order 2010, which entered into force in September 2011, Montserrat has a governor appointed by the British Crown, a cabinet and a legislative assembly. The current Governor took office in April 2011. He is responsible for internal security (including the police), external affairs, defence, public service and the regulation of international financial services. Under the Constitution, the British Crown reserves the power, with the advice of the Privy Council of the United Kingdom, to make laws for the peace, order and good government of Montserrat.

2. The Cabinet consists of the Premier, three other ministers, the Attorney General and the Financial Secretary. The Deputy Governor may attend meetings, but does not have the right to vote. The Cabinet is presided over by the Governor and is responsible for the general control and direction of the Government and is collectively responsible to the legislature.

3. The Legislative Assembly consists of nine members. Elections are normally held in Montserrat every five years on the basis of universal adult suffrage. The most recent elections were held in September 2009, after which the Movement for Change and Prosperity formed a Government headed by Reuben T. Meade. In September 2011, he became the first Premier of Montserrat.

4. The law of Montserrat comprises primarily legislation enacted by the legislature of Montserrat, certain acts of the Parliament of the United Kingdom extended to Montserrat, orders in council made by the British Crown in the Privy Council and English common law. Montserrat falls under the jurisdiction of the Eastern Caribbean Supreme Court (High Court and Court of Appeal). The Court of Appeal is an itinerant court established under the West Indies Associated States Supreme Court Order No. 223 of 1967, whose sittings rotate among its nine members, including Montserrat. The final court of appeal for civil and criminal matters is the Judicial Committee of the Privy Council. The British Overseas Territories Act 2002 provides for the granting of British citizenship to British overseas territory citizens.

5. As previously reported, addressing the Pacific regional seminar on the implementation of the Third International Decade for the Eradication of Colonialism, held in Quito from 30 May to 1 June 2012, the Premier of Montserrat stated that Montserrat was a fully internally self-governing Territory where all executive decisions were made by the local Cabinet of Ministers. He further stated that there was no public interest whatsoever in separating from the United Kingdom. The continuing relationship with the United Kingdom was one made by free choice and the people of the island did not see themselves as being a colonized people. He recommended that the Special Committee on Decolonization should remove Montserrat from its decolonization discussions.

6. In November 2013, the Joint Ministerial Council, comprising the United Kingdom overseas territories, including Montserrat, met in London and issued a communiqué in which it reiterated that any decision to break the constitutional link with the United Kingdom should be on the basis of the clear and constitutionally expressed wish of the people of the overseas territory concerned. Section VII.B below contains additional information on the meeting.

II. Budget

7. The public sector in Montserrat continues to be dependent on budgetary aid from the United Kingdom, which ensured approximately 60 per cent of the recurrent budget in 2013. According to the territorial Government, the budget for the period from April 2013 to March 2014 amounted to EC$ 99 million in recurrent expenditure and EC$ 50 million for development purposes. For its part, the United Kingdom made available approximately EC$ 70 million in budget aid to support the Territory's development plans, comprising EC$ 57 million in general budget support for the Territory's recurrent budget and EC$ 13 million in other budget support.

8. The Territory benefits from an allocation of approximately €16 million under the tenth European Development Fund. According to the administering Power, it is anticipated that Montserrat will receive a slight increase under the eleventh Fund.

9. According to the administering Power, overall domestic revenues are expected to be close to EC$ 42 million in 2013/14. Individual residents are taxed on their worldwide income from all sources. Tax is also levied on the chargeable income paid by any incorporated company, building society or body of persons. While companies pay tax of 30 per cent on profits, there is no capital gains tax.

III. Economic conditions

A. General

10. According to government estimates, gross domestic product growth in 2012/13 was 1.6 per cent, reflecting a one-off boom in visitors for the fiftieth anniversary of the Montserrat cultural festival and government capital projects providing some stimulus to the construction sector. The Economist Intelligence Unit put the Territory's estimated gross domestic product for 2013 at $65.5 million. For its part, the United Kingdom continued to support the Montserrat Development Corporation in recognition of its role as a facilitator and project manager for supporting foreign and local private investment in pursuit of sustainable socioeconomic development.

B. Agriculture and fisheries

11. As a result of ongoing volcanic activity, most fertile agricultural land, pasture and fishing areas continue to be either restricted or inaccessible. In recent years, however, agricultural crop, fish and livestock production has reportedly increased.

12. In 2013, the territorial Government continued to focus on agriculture as a key area in which to build its self-reliance policy. Initiatives included employment opportunities and greater local production, notably through backyard gardens and increased acreage being devoted to cultivation.

C. Financial services

13. Montserrat is a member of the Eastern Caribbean Central Bank, which acts as the central bank for the Territory, and is part of the Eastern Caribbean Securities Exchange and the Caribbean Financial Action Task Force, the body that monitors

anti-money-laundering activities and works to counter the financing of terrorism in the region. There are various banking facilities, including two commercial entities (the Bank of Montserrat and the Royal Bank of Canada) and several international banks. There is also a credit union in the Territory.

14. In 2013, the territorial Government continued to enhance corporate governance of the international financial services industry, in cooperation with the Territory's Financial Services Commission, to regulate international banks, insurance companies, money service providers and cooperative societies. According to the administering Power, in response to the focus by the Group of Eight in 2013 on financial transparency, Montserrat made a commitment to combating tax evasion and to participating in an action plan on publishing information on the beneficial ownership of companies. In July, the United Kingdom extended to Montserrat the Convention on Mutual Administrative Assistance in Tax Matters. In November, Montserrat and the United Kingdom signed an agreement to share tax information automatically. In the same month, in an assessment conducted for the Financial Secrecy Index, the Territory was considered to be towards the top end of financial secrecy arrangements. It was noted that the Territory had still to make major progress in offering satisfactory financial transparency.

D. Tourism

15. The redevelopment of the tourism industry continues to be a priority for the territorial Government. As at August 2013, some 6,200 tourists had visited the Territory, an increase of about 8 per cent over the equivalent period in 2012. An improved ferry service with greater capacity was launched in December 2013. The ferry makes the trip between Montserrat and Antigua in about an hour, enabling Montserrat to market itself more effectively as a day-trip destination.

E. Construction

16. The physical development plan for the period 2013-2022 maps out the Government's vision for developing the northern portion of the Territory and provides a framework to help to meet the objectives set out in the sustainable development plan, addressing issues such as land availability, limited resources and infrastructure development.

17. According to the administering Power, there was significant progress in the Territory's capital development programme in 2013/14. With assistance from the United Kingdom, two geothermal exploration wells were drilled. In addition, assistance enabled the rehabilitation of large parts of the A1 road, the Territory's main artery, to a good standard. The development of Little Bay continued with the construction of a marine village and a new building for the Montserrat Social Security Fund.

F. Utilities and communication

18. A private company, Montserrat Utilities Ltd., distributes water and electricity in the Territory. According to the administering Power, the entire population enjoys

access to the Territory's plentiful supply of good potable water and about 98 per cent of residents are connected to the water system. The water section of the company also has responsibility for sewage treatment in some areas, notably Lookout and Davy Hill.

19. For its part, the territorial Government continued in 2013 to promote the development of a national energy policy, moving away from inefficient containerized high-speed diesel generators. According to the administering Power, it is expected that sufficient geothermal energy resources will be made available to meet the demand for electricity in the Territory.

20. In addition to the aforementioned enhanced ferry service, Montserrat and Antigua and Barbuda are also connected by scheduled and charter air services operated by two companies. Montserrat is a member of the Eastern Caribbean Civil Aviation Authority and of Air Safety Support International, which regulates the Territory's airspace. E-mail is widely used and digital subscriber lines have been introduced. In 2013, the territorial Government began to explore the possibility of establishing a fibre-optic link to the Territory from abroad.

IV. Social conditions

A. General

21. The volcanic crisis has had a profound effect on traditional social structures and support systems in the Territory. Many families and communities have been split up and relocated to various parts of the world. According to the administering Power, social welfare services in Montserrat continue to include monthly financial assistance, rental assistance and one-time assistance for basic items. In 2013, the United Kingdom provided funding for a senior social worker to support the development of a strategic framework for integrated social services in Montserrat.

B. Labour

22. The working population of Montserrat comprises about 2,500 persons, approximately half of whom are nationals. Labour relations are governed by the Employment Act and the Labour Code (both revised in 2012), under which the Department of Labour provides mediation and conciliation services, with the Labour Tribunal settling disputes. The Montserrat Allied Workers Union represents workers outside of the public service. There is no minimum wage legislation.

23. The Labour Code as revised in 2012 provides for equality of treatment in employment, irrespective of an employee's race, colour, sex, religious belief, ethnic origin, nationality, political opinion or affiliation, disability, family responsibility, pregnancy, marital status or age.

24. In 2013, the territorial Government continued to address the entrenched shortage of skilled labour by providing relocation incentives to nationals and granting work permits to non-nationals in order to meet the demand for professional and other skilled labour. The granting of work permits is covered under the Immigration Act 2002.

C. Education

25. Montserrat has educational infrastructure and services that provide full access to primary and secondary education. A total of 70 pupils graduated in 2013 from the only government-owned secondary school. The Ministry of Education is responsible for early childhood, primary, secondary and post-secondary education, in addition to special needs, teacher training and education support services. There are several government day-care facilities and nursery schools and a privately owned early childhood facility. In 2013, arrangements were made for a child-safeguarding specialist to lead the Territory's development of a multi-agency child-safeguarding framework.

26. The Montserrat Community College in Salem offers programmes for students between 16 and 18 years of age, in addition to nursing education and some technical skills courses. The University of the West Indies maintains an extramural department adjacent to the Community College. Postgraduate college students can study for a variety of long-distance degrees from the University. Citizens from overseas territories enjoy the home student fee rate at British universities. Furthermore, in 2013/14, a student from Montserrat was awarded a Chevening scholarship to study in the United Kingdom. For its part, in November 2013 the Council of the European Union adopted a decision on the association of the overseas countries and territories with the European Union that provides for access to, among others, horizontal European Union funds, such as those for higher education and vocational education.

D. Public health

27. The Ministry of Health is responsible for providing primary and secondary health services, including foster care, in addition to health-related policy advice in such areas as general medical care and surgical care, diagnostic testing, eye and ear care and medication. The territorial Government offers free emergency dental services for school-age children, the elderly, pregnant women and government staff, in addition to providing highly specialized health services through arrangements for a number of specialists to visit the Territory. At the same time, arrangements are in place for emergency medical evacuation to Antigua and Barbuda and Guadeloupe. According to the administering Power, life expectancy in the Territory continues to be estimated at approximately 75 years.

28. The Territory's health facilities include the 30-bed Glendon Hospital in St. Johns in the north, which is able to cover all routine health issues, X-rays and minor operations, in addition to several primary care clinics. In 2013/14, efforts were under way to expand the hospital with a grant of £8.4 million from the United Kingdom.

E. Crime and public safety

29. Under a five-year strategy, the Royal Montserrat Police Service is focusing on neighbourhood and intelligence-led policing, crime reduction and prevention, and partnership in the criminal justice system. According to the administering Power, Montserrat has a very low crime rate compared with the rest of the Caribbean.

30. According to official sources, in 2013 the United Kingdom funded a law enforcement adviser based in Miami, United States of America, who coordinates, manages and facilitates training and strategic advice to introduce new techniques and skills for the Territory's law enforcement agencies. Furthermore, *HMS Lancaster* and Royal Fleet Auxiliary *Wave Knight* were on patrol in the Caribbean and the North Atlantic to provide disaster relief and humanitarian assistance as needed. They were also engaged in counter-narcotics and interdiction patrols. Both ships made reconnaissance visits to the Territory to improve their coordination with local disaster management bodies.

F. Human rights

31. Under the Territory's Constitution, provision is made regarding the fundamental rights and freedoms of the individual. The following international human rights instruments have been extended to Montserrat: the European Convention on Human Rights; the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; the Convention on the Rights of the Child; and the International Convention on the Elimination of All Forms of Racial Discrimination. According to the administering Power, two new commissions have been established, dealing with complaints and the preservation of integrity in public life.

32. For its part, the Territory's Human Rights Committee, established in 2005, helps to fulfil the Territory's reporting requirements under various international conventions, monitors the implementation of the conventions and advises the Government on matters relating to human rights. The Status of Children Act 2012, which entered into force in 2013, abolishes the legal distinction made between the status of children born within and outside marriage.

V. Environment and volcanic activity

33. Following the eruption of the Soufrière Hills volcano in 1995, an exclusion zone comprising roughly the southern two thirds of the island was established. Since the eruption in February 2010, the volcano has been quiet. According to the administering Power, some relaxations in access to Zone C were made in 2013, while work continued on repairs to bridges, roads and culverts that had been washed away by flooding and landslides caused by the passing of Hurricane Earl in 2010.

34. Montserrat has a clearly defined institutional framework for disaster response, which in 2013 was tested in an exercise called Operation Greenflash. A national hurricane plan produced in 2013 outlines the major tasks to be undertaken by the Territory's agencies, ministries or departments as part of the national emergency management system in planning for, and responding to, tropical weather systems.

35. In January 2014, the Environmental Audit Committee of the House of Commons of the United Kingdom issued a report on sustainability in the United Kingdom overseas territories in which it identified financial and institutional concerns regarding threats to unique habitats and species and the protection of biodiversity.

36. In the report, the Committee stated that, during its inquiry, the Government of the United Kingdom had expressed general but unspecified aspirations to cherish the environment in the overseas territories, but had been unwilling to acknowledge or to address its responsibilities under United Nations treaties. That was found to be disappointing because the environment in the overseas territories was globally significant and comprised 90 per cent of the biodiversity for which the Government of the United Kingdom had responsibility. According to the Committee, the Government had failed to negotiate the extension of the Convention on Biological Diversity — the flagship United Nations policy on biodiversity protection — to all the overseas territories and had not ensured the accurate monitoring of biodiversity there. The Committee said that, in environmental terms, the white paper on the overseas territories published in 2012 was considered a missed opportunity.

37. Among the conclusions, the Environmental Audit Committee mentioned that:

(a) In the light of the international significance of the biodiversity in the overseas territories, 13 years was too long a gap between white papers on the overseas territories;

(b) The Government of the United Kingdom was prepared to exercise hard and soft power in relation to financial matters in the overseas territories, but it was apparently not prepared to exercise those powers to protect biodiversity and to promote environmental sustainability;

(c) The four overseas territories to which the Convention on Biological Diversity had been extended (the British Virgin Islands, Gibraltar, Saint Helena and the Cayman Islands) had not been effectively included in biodiversity reporting by the United Kingdom; it was felt that compliance with the stipulations of the Convention was ultimately a responsibility of the Government of the United Kingdom;

(d) Without enhanced monitoring, the Department for Environment, Food and Rural Affairs of the United Kingdom could not accurately report under the Convention on Biological Diversity on the full extent of biodiversity in the overseas territories and therefore measure progress towards the commitment to halt biodiversity loss by 2020.

38. With regard to Montserrat, the Committee indicated that in 2008 an environmental management bill had been introduced in the Territory to set up basic planning controls, but by December 2013 had yet to be enacted. The Territory lacked baseline standards on development control such as statutory environmental impact assessments for major developments and strategic development plans. The report featured the case of Piper's Pond as an example of environmentally destructive development that had affected the only remaining mangrove area on the island.

VI. Relations with international organizations and partners

39. Montserrat is an associate member of the Economic Commission for Latin America and the Caribbean and its subsidiary bodies. According to the administering Power, the Territory continues to maintain a bilateral dialogue with the International Monetary Fund, involving the Territory's public sector, banking, business and union representatives.

40. Montserrat is a founding member of both the Caribbean Community and the Organization of Eastern Caribbean States (OECS) and a member of the institutions associated with those organizations, including the University of the West Indies, the Caribbean Development Bank and the Eastern Caribbean Central Bank, in addition to the OECS Assembly, which was established in 2012 under the Revised Treaty of Basseterre to support the legislative work of OECS. Moreover, the Territory has observer status with the Caribbean Financial Action Task Force and is a member of the Caribbean Regional Fisheries Mechanism.

41. As a Non-Self-Governing Territory of the United Kingdom, Montserrat is associated with the European Union but is not a part of it. As at January 2014, the Territory was a partner under the above-mentioned decision of the Council of the European Union, approved, among other things, in an effort to move away from a classic development cooperation approach to a reciprocal partnership that promotes sustainable development and the values and standards of the European Union in the wider world. Information on grant aid provided to Montserrat by the European Union can be found in section II above.

VII. Future status of the Territory

A. Position of the territorial Government

42. Information on the position of the territorial Government regarding the future status of Montserrat is set out in section I above.

B. Position of the administering Power

43. On 11 October 2013, at the 7th meeting of the Special Political and Decolonization Committee (Fourth Committee) during the sixty-eighth session of the General Assembly, the representative of the United Kingdom stated that the relationship of the Government of the United Kingdom with its overseas territories was modern and based on partnership, shared values and the right of the people of each territory to choose to remain British. Should the people of a territory choose to remain British, the United Kingdom would maintain and deepen its special relationship with them.

44. He went on to say that, since the publication in June 2012 by the Government of the United Kingdom of a white paper entitled *The Overseas Territories: Security, Success and Sustainability*, the United Kingdom had been working closely with the territories to develop that partnership further. His Government had a fundamental responsibility to ensure the security and good governance of its overseas territories. The United Kingdom had strengthened the annual meeting with territory leaders into a joint ministerial council and had given it a clear mandate to lead work to review and implement the strategy and the commitments set out in the white paper (see A/C.4/68/SR.7).

45. At the second meeting of the Overseas Territories Joint Ministerial Council, held in London on 26 November 2013, the United Kingdom and overseas territory leaders agreed upon a communiqué that included the following passage setting out the joint position of the United Kingdom and the overseas territories on self-determination:

We reiterate our commitment to continuing to build a modern relationship based on partnership, shared values and the principle of self-determination. The people of each territory have the right to choose whether or not their territory should remain a British overseas territory or to seek an alternative future.

...

The right of self-determination is enshrined in the Charter of the United Nations. We believe that the people of all overseas territories have a right to determine their own futures, to decide on the path they wish to take and to maintain freely their constitutional link with the United Kingdom if that is their choice. Being a British territory entails a balance of benefits and responsibilities. We affirm a commitment to shared values, high standards of governance and building a stronger partnership. Any decision to break the constitutional link should be on the basis of the clear and constitutionally expressed wish of the people of the territory. We believe that the United Nations Decolonization Committee should delist territories where this is their wish.

Each territory is unique and has its own constitution. We will continue work to complete the process of constitutional modernizations so that territories have the greatest self-government possible.

C. Action taken by the General Assembly

46. On 11 December 2013, the General Assembly adopted, without a vote, resolutions 68/95 A and B, based on the report of the Special Committee (A/68/23) and on the subsequent recommendation by the Fourth Committee. Section VII of resolution 68/95 B concerns Montserrat. In the operative paragraphs of that section, the General Assembly:

1. *Recalls* the 2011 Constitution of Montserrat and the work of the territorial Government with respect to moving forward to consolidate the gains provided for in the Constitution;

2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter, and in that regard calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

3. *Welcomes* the Territory's participation in the 2012 inauguration of the Organization of Eastern Caribbean States Assembly, its steps towards accession to the economic union treaty of the Organization of Eastern Caribbean States and its active participation in the work of the Economic Commission for Latin America and the Caribbean;

4. *Calls upon* the administering Power, the specialized agencies and other organizations of the United Nations system, as well as regional and other organizations, to continue to provide assistance to the Territory in alleviating the consequences of the volcanic eruption.

United Nations A/AC.109/2014/11

General Assembly

Distr.: General
24 February 2014

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

United States Virgin Islands

Working paper prepared by the Secretariat

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Note: The information contained in the present working paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 8 January 2014. Further details are contained in previous working papers, available from www.un.org/en/decolonization/workingpapers.shtml.

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The Territory at a glance

Territory: The United States Virgin Islands is a Non-Self-Governing Territory under the Charter of the United Nations. As an unincorporated, organized territory of the United States of America, it is administered by the Office of Insular Affairs of the United States Department of the Interior.

Geography: The Territory is located in the eastern part of the Caribbean Sea, 1,075 miles south-east of the south-eastern tip of the United States and 60 miles east of Puerto Rico. It is made up of four main islands: St. Croix, St. John, St. Thomas and Water Island. The capital, Charlotte Amalie, is located on St. Thomas.

Land area: 352 km².

Exclusive economic zone: 33,744 km².[a]

Population: 107,343 (2011 data).

Languages: English or English Creole (74.70 per cent); Spanish or Spanish Creole (16.78 per cent); French or French Creole (6.57 per cent); and other (1.95 per cent).

Capital: Charlotte Amalie.

Head of territorial Government: Governor John Percy de Jongh.

Territory's delegate to the United States Congress: Congresswoman Donna M. Christensen, re-elected in 2012.

Main political parties: Democratic Party; Independent Citizens' Movement; Republican Party.

Elections: Most recent legislative elections held in November 2012; next elections to be held on 4 November 2014 (Governor).

National legislature: Unicameral (15 senators).

Gross domestic product (GDP) per capita: $35,844 (2012, chained (2005) dollars).

Economy: Tourism is the primary economic activity, accounting for 80 per cent of GDP and employment. The manufacturing sector consists of petroleum refining, rum distilling, textiles, electronics, pharmaceuticals and watch assembly.

Monetary unit: United States dollar.

Unemployment rate: 11.7 per cent (December 2012 estimate).

Brief history: The islands were a Danish Territory from 1754 to 1917 (Danish West Indies). On 31 March 1917, the Government of Denmark transferred ownership to the United States. The United States Virgin Islands have since been an organized, unincorporated Territory of the United States.

[a] Exclusive economic zone data from the "Sea Around Us" project, a collaboration between the University of British Columbia and the Pew Environment Group (see www.seaaroundus.org).

I. Constitutional, political and legal issues

1. The United States Virgin Islands is an organized, unincorporated Territory of the United States. Under the Organic Act of the Virgin Islands (1936), its revision in 1954 and subsequent amendments to the Revised Organic Act of 1954, the Territory has a legislature, also known as the Senate, which is a unicameral body comprising 15 senators elected for a two-year term by popular vote. Executive power is vested in the Governor, who since 1970 has been elected by popular vote for a four-year term on the same ticket as the Lieutenant Governor. The Governor is limited to two consecutive terms. With the advice and consent of the Legislature, the Governor appoints the heads of the executive departments and has the power to approve or veto legislation and issue executive orders.

2. In the gubernatorial election of November 2010, John Percy de Jongh of the Democratic Party was re-elected Governor and Gregory Francis was re-elected Lieutenant Governor. Their terms of office will expire in November 2014, when the next elections are due to be held. The Territory elects a delegate to the United States House of Representatives, who is able to vote in committees. The Democratic Party candidate, Donna M. Christensen, won the election held in 2012 and was re-elected to a ninth two-year term as the delegate of the United States Virgin Islands to the United States Congress. The Territory's senatorial election was held on 6 November 2012. Craig W. Barshinger remains Senator-at-large in the thirtieth Legislature of the United States Virgin Islands.

3. The Territory's judicial system has a district court, a superior court and a supreme court, the last-mentioned becoming operational in January 2007. The Supreme Court is the appellate court that hears appeals decided by the Superior Court. Its establishment eliminates federal judicial involvement in purely local legal matters. In December 2012, the President of the United States, Barack Obama, signed House of Representatives Bill No. 6116 authorizing direct review by the United States Supreme Court of decisions made by the United States Virgin Islands Supreme Court. The legislation was sponsored by the Territory's congressional delegate.

4. Since the Organic Act of the Virgin Islands was revised by the Government of the United States in 1954, there have been four attempts to replace it with a local constitution approved by the people of the Territory, which would organize the internal mechanisms of government. Although the United States Congress authorized the adoption of a local constitution in 1976 under United States Public Law 94-584, none of the four attempts made were successful.

5. As previously reported, on 26 May 2009 the Fifth Constitutional Convention adopted a proposed constitution of the United States Virgin Islands by a two-thirds vote. The text was submitted to the Governor on 31 May 2009. In a preamble and 19 articles, the 27-page text includes provisions on a bill of rights; principles, branches and subdivisions of government; Virgin Islanders; elections; education; youth; taxation, finance and commerce; economic development; public health, safety and welfare; culture; environmental protection; referendums and recalls; and the creation of a political status advisory commission. Further details can be found in previous working papers.

6. On 26 February 2010, the President of the United States submitted the proposed constitution to Congress, endorsing the conclusions reached by the

Department of Justice that several features of the proposed text warranted analysis and comment, including: (a) the absence of express recognition of United States sovereignty and the supremacy of federal law; (b) provisions for a special election on the territorial status of the United States Virgin Islands; (c) provisions conferring legal advantages on certain groups defined by place and timing of birth, timing of residency or ancestry; (d) residence requirements for certain offices; (e) provisions guaranteeing legislative representation of certain geographic areas; (f) provisions addressing territorial waters and marine resources; (g) imprecise language in certain provisions of the proposed constitution's bill of rights; (h) the possible need to repeal certain federal laws if the proposed constitution were adopted; and (i) the effect of congressional action or inaction on the proposed constitution.

7. According to a statement made in June 2010 by the President of the Fifth Constitutional Convention before the Special Political and Decolonization Committee (Fourth Committee), in March 2010 a delegation of the Convention, led by him, had held consultations with United States congressional officials. The officials had expressed a major objection to the provision in the proposed constitution regarding the ownership by the people of the Territory of their marine resources. Another objection had related to any meaningful reference to the native population and the provision of certain benefits. As a result, the United States Congress had asked the Convention to reconvene in order to consider the administering Power's objections to the proposed constitution.

8. The President of the Convention stressed that there was no provision in the proposed constitution to alter the status of the Territory and that it would not serve as the basis for removing the United States Virgin Islands from the United Nations list of Non-Self-Governing Territories. The proposed constitution contained a relevant provision that would, upon adoption of the text, create a mechanism to examine future options with regard to political status.

9. On 11 September 2012, the Governor signed Act No. 7386 establishing and convening a body called the Fifth Revision Convention, formed by the 30 delegates elected to the Fifth Constitutional Convention along with five attorneys. The Fifth Revision Convention was convened on 1 October and mandated to ratify and approve, no later than 31 October, by a two-thirds majority vote of all the delegates, the final revised draft constitution consistent with the nine issues identified by the Government of the United States (see para. 6 above). The Act established that, if the Fifth Revision Convention agreed upon a proposed revised draft constitution by the deadline, the President of that body should have it submitted to the Governor and to the President of the United States. In case of non-adoption of the text, both the Fifth Constitutional Convention and the Fifth Revision Convention would be dissolved and the Legislature of the United States Virgin Islands would have full authority to address the Territory's constitution.

10. At the time of writing, however, the outcome of the Fifth Revision Convention continued to remain unclear and surrounded by controversy. In January 2013, in his State of the Territory address, the Governor expressed the hope that the Territory would find "the means and courage that will lead us from the Organic Act to a Virgin Islands constitution".

II. Budget

11. On 14 June 2013, the Governor proposed to the Legislature the fiscal year 2014 executive budget for the Government of the United States Virgin Islands, totalling $743.8 million. In his State of the Territory address for 2014, the Governor stated that the Territory would face a shortfall of $70 million by the end of the fiscal year, half of which reflected the decision by the United States Department of the Interior not to advance cover-over funds based on the full rate of $13.25.

12. The Government of the United States continued to provide funding for the Territory's budget, including through the American Recovery and Reinvestment Act. As at 30 October 2013, grants awarded amounted to $650,697,130, of which $497,912,895 had been received.

III. Economic conditions

A. General

13. According to the Office of Management and Budget, the Territory has been confronted with high unemployment and a decline in tourism that began in 2012 and continued into 2013. It is anticipated that any growth of the local economy in 2014 will be highly dependent on economic growth in the United States. The combination of the closure of the Hovensa oil refinery and the limited growth in cruise ship passenger arrivals is having a devastating financial, fiscal and economic impact on the Territory. With negotiations in progress for an agreement to sell the refinery and a projected increase in cruise ship calls in 2014, however, economic conditions should improve.

14. On 12 August 2013, the United States Bureau of Economic Analysis released GDP estimates for the United States Virgin Islands for 2011 and 2012, in addition to estimates of GDP and compensation by industry for 2011. The estimates were developed under the Statistical Improvement Programme funded by the Office of Insular Affairs of the United States Department of the Interior. The estimates of GDP for the United States Virgin Islands showed that real GDP (GDP adjusted to remove price changes) had decreased by 13.2 per cent in 2012, following a fall of 6.6 per cent in 2011. In contrast, real GDP for the United States (excluding the Territories) had increased by 2.8 per cent in 2012, after rising by 1.8 per cent in 2011. The decline in the local economy in 2011 and 2012 reflected decreases in exports of goods and spending by the territorial Government.

15. With regard to low spending by the territorial Government, government construction activity decreased in 2011 and 2012, with activity in 2012 dropping more steeply than in 2011. Compensation of government employees also fell in both years, reflecting declines in government employment. The government sector, which includes the territorial and federal Governments, also contributed to the decline in GDP, which largely reflected a decrease in government compensation.

16. The estimates of compensation by industry, measured in current dollars, show trends in compensation for major industries. Total compensation decreased significantly in 2011; the largest contributor was territorial government compensation. The Virgin Islands Economic Stability Act, signed in July 2011, reduced government

salaries by 8 per cent for two years. Compensation of employees in goods-producing industries also decreased significantly, reflecting the decline of the petroleum-refining industry and a drop in construction activity.

B. Tourism

17. According to the Office of Management and Budget, following the closure of the Hovensa refinery (see A/AC.109/2012/8, para. 20), tourism is now the main driver of economic growth in the Territory. More than 2.5 million tourists visit annually, whether by cruise ship or by air. Cruise ship passenger arrivals for 2012, however, declined by 5.2 per cent, with cruise ship calls posting a decline of 4.4 per cent as the industry adjusted to the *Costa Concordia* incident of January 2012. In 2013, the cruise ship industry experienced operational difficulties with the potential to reduce the number of anticipated arrivals. Following efforts by the Department of Tourism and the increase in the number of air carriers serving the Territory, the number of visitors arriving by air grew by 8.6 per cent in 2012, after a decline of 1.8 per cent in 2011. The income from that increase bolstered the overall tourism economy, but did not offset the tremendous loss in total economic output resulting from the closure of the Hovensa refinery.

C. Manufacturing and construction

18. According to the United States Bureau of Economic Analysis, which, as indicated above, released GDP estimates for the United States Virgin Islands in August 2013, the decrease in exports of goods, in particular the sharp drop in 2012, reflected the decline of the petroleum-refining industry that for many years had dominated the economy. The Hovensa refinery, one of the world's largest, ceased operations on St. Croix early in 2012. If the imports, exports and inventory investment of the petroleum-refining industry were not taken into account, GDP would have increased by 2.6 per cent in 2012, primarily reflecting growth in rum exports. The estimates of GDP by industry show that the goods-producing industries were the primary source of the decrease in real GDP in 2011. The decline in those industries reflected the decline in the petroleum-refining industry and the construction sector.

19. According to information from the United States Virgin Islands Bureau of Economic Research, a large percentage of manufacturing shipments come from rum production. The rum produced is primarily exported to the United States and sold to local and regional bottlers for sale under a variety of private label and regional brand names. According to estimates from the Office of Management and Budget, the Territory received $146 million in excise taxes in 2013.

D. Trade, transportation and utilities

20. The United States Virgin Islands has approximately 1,250 km of roadways and some 65,000 registered vehicles. The Territory also enjoys one of the best natural deep-water harbours in the Caribbean and is strategically located along the Anegada Passage, a key route for ships bound for the Panama Canal. The Territory has five major docking facilities, which can accommodate cruise ships and some naval

vessels. Three of the docks are on St. Croix, namely South Shore, Gallows Bay and Frederiksted. The other two are on St. Thomas, namely the facilities operated in Crown Bay by the Virgin Islands Port Authority, a semi-autonomous government agency, and the Islands-owned West Indian Company.

21. The Virgin Islands Water and Power Authority is an autonomous governmental entity of the territorial Government that produces and distributes electricity and potable water to some 54,000 electrical and 12,000 potable water customers. The Territory is implementing a plan to reduce its dependence on fossil fuels by 60 per cent over the next 15 years. The Virgin Islands Water and Power Authority is engaged in the Puerto Rico and United States Virgin Islands High Voltage Interconnection Project, interconnecting the two electrical power systems.

22. Owing to limited freshwater supplies, salt water is used extensively for non-domestic purposes, including fighting fires and treating sewage. A desalination plant on St. Thomas produces some 4.5 million gallons of water per day. Wells, in particular on St. Croix, supply the remainder of the fresh water necessary. Owing to the high cost of water, average daily consumption is about 50 gallons per person per day, about one third of the United States average.

23. In terms of communications, the Territory has approximately 59,000 telephones, 8,700 Internet hosts (a computer connected directly to the Internet) and a number of radio and television broadcasting stations.

E. Agriculture and fisheries

24. Historically, sugar cane and, to a lesser extent, cotton were the main sources of revenue for the Territory's economy. Currently, the agricultural sector is very small and comprises mainly fruit and vegetable cultivation and cattle-raising.

25. The Territory's Department of Agriculture has continued its farmer-focused programmes and services and worked to complete and develop new projects. It received funding from the Agricultural Marketing Service of the United States Department of Agriculture to implement the Farmers' Market Nutrition Programme for the first time in the Territory. The Bordeaux Farmers' Market and new irrigation facilities opened officially in February 2013. Other projects include the Young Agricultural Professionals Training Programme, the Virgin Fresh Marketing Campaign and the second phase of the Farmers' Market.

IV. Social conditions

A. Labour

26. According to the Office of Management and Budget, the closure of the Hovensa refinery continued to have a devastating impact on the local economy, with the unemployment rate for the Territory as a whole recently reaching 13.7 per cent and that for the island of St. Croix reaching 17.8 per cent in January 2013. According to data from the Territory's Bureau of Economic Research, civilian employment fell by 7.9 per cent between January 2012 and November 2013, for a net loss of 3,567 jobs. According to the document on the executive budget for the fiscal year 2014, the current unemployment situation has the potential to deteriorate

because federal funding is being reduced or eliminated as a result of the federal sequestration and local funding is being reduced as a result of territorial fiscal consolidation. While construction, manufacturing and government positions continue to decline, information technology, professional and financial services positions are being created. As more positions relating to information technology are being filled in Territory, the completion of the Virgin Islands Next Generation Network project will enhance the information technology industry, supported by both the public and private sectors, along with the University of the Virgin Islands Research Technology Park and other technology-based initiatives.

B. Education

27. Education in the United States Virgin Islands is compulsory and free for all children between 5 and 16 years of age. The Territory's Department of Education comprises a state education agency and two local education agencies for the St. Thomas/St. John District and the St. Croix District. The St. Thomas/St. John District has 2 high schools, 3 middle schools and 10 elementary schools. The St. Croix District has 10 elementary schools, 3 middle schools and 2 high schools. The University of the Virgin Islands has campuses on St. Thomas and St. Croix and has a combined full-time and part-time student body of 2,513 students.

C. Public health

28. The Territory's Department of Health maintains facilities on St. Thomas, St. John and St. Croix. It also maintains a long-term care facility on St. Thomas. Outreach efforts include educational, preventive and treatment services using clinics and subdivisions for maternal and child health, family planning, environmental health, sexually transmitted infections, HIV and tuberculosis, mental health and substance abuse. The Department administers 33 activity centres and 16 federal programmes under the auspices of the Office of the Commissioner and the divisions dealing with fiscal affairs, support services, public health services and health promotion and statistics.

29. Priorities and indicators for the maternal, child and adolescent health population were identified following a needs assessment conducted by the Territory's Department of Health for the 2010-2015 cycle. The transfer of Medicaid to the Department of Human Services was finalized in the fiscal year 2013, with the emergency medical services scheduled to be transferred to the Department of Fire Services in 2014.

30. The United States Virgin Islands Health Information Exchange Strategic and Operational Plan, issued in January 2011 by the Territory's Department of Health, describes the path that the Territory intends to follow to develop the capabilities of the Exchange to enable the meaningful use of electronic health records among providers and health-care providers. The Plan states, among other things, that, because of historical low federal funding for health care in the United States Virgin Islands owing to its Territorial status, the Territory's health information technology infrastructure is relatively underdeveloped.

D. Crime and crime prevention

31. In his State of the Territory address for 2014, the Governor noted that violence had persisted in some pockets of the community. The Government had maintained police staffing levels, broadened recruitment efforts and fully instituted the Peace Officer Standards and Training Council. Among the measures implemented to curb the violence, new equipment had been purchased and expanded use made of cameras and cutting-edge public safety technology.

V. Environmental protection and disaster preparedness

32. In the area of emergency preparedness, the Territory has continued to enhance its operations with the opening of the new headquarters of the Virgin Islands Territorial Emergency Management Agency. The consolidation of emergency call centre operations at two districts has enhanced organizational efficiency by improving responsiveness to residents at their most critical time of need. In June 2011, the Agency installed 10 all-hazards warning sirens across the United States Virgin Islands — 4 on St. Croix, 4 on St. Thomas and 2 on St. John — concentrating, in particular, on areas considered at high risk for tsunamis. In October 2012, the Agency announced the installation of a new siren warning system, replacing faulty repeaters located on St. Croix, St. Thomas and St. John. The system is designed to warn anyone within its range of an imminent threat or danger. Eleven additional sirens will be installed. The Office of the Governor announced in January 2014 that the project was nearing completion. A Territory-wide test of the system is expected to be conducted in 2014.

33. In February 2014, the United States Environmental Protection Agency published its annual report on the amount of toxic chemicals released in 2012 to the land, air and water by industrial facilities in the United States Virgin Islands. The report showed a decrease in emissions over the past year. Total reported emissions to land, air and water by the four facilities monitored decreased from about 1.8 million pounds in 2011 to about 0.3 million pounds in 2012. Much of the decrease was due to the shutdown of the Hovensa refinery.

VI. Relations with international organizations and partners

34. The United States Virgin Islands is an associate member of the Economic Commission for Latin America and the Caribbean. The Territory has observer status with the Association of Caribbean States and with the Alliance of Small Island States, which serves as a platform to promote action on environmental issues, including climate change. According to information provided by the administering Power, the United States Virgin Islands received acceptance as a territorial Government with observer status at the Organization of Eastern Caribbean States in the last quarter of 2009.

VII. Future status of the Territory

A. Position of the territorial Government

35. Developments regarding discussions on the future status of the United States Virgin Islands are reflected in section I above.

B. Position of the administering Power

36. In a letter dated 2 November 2006 addressed to the delegate of American Samoa to the United States House of Representatives, the Assistant Secretary of State for Legislative Affairs elaborated on the position of the Government of the United States. In his letter, the Assistant Secretary of State indicated that the status of the insular areas regarding their political relations with the federal Government was an internal United States issue, and not one that came under the purview of the Special Committee. He also noted that the Special Committee had no authority to alter in any way the relationship between the United States and those territories and no mandate to engage the United States in negotiations on their status. He further noted that, at the same time, in accordance with its obligations under the Charter of the United Nations to provide regularly to the United Nations statistical and other information of a technical nature relating to economic, social and educational conditions in the Non-Self-Governing Territories, the federal Government submitted annual updates on United States Territories to the Special Committee as a demonstration of United States cooperation as an administering Power and as a corrective to any errors in information that the Special Committee might have received from other sources.

C. Action taken by the General Assembly

37. On 11 December 2013, the General Assembly adopted, without a vote, resolutions 68/95 A and B, based on the report of the Special Committee (A/68/23) and the subsequent recommendation by the Fourth Committee. Section XI of resolution 68/95 B concerns the United States Virgin Islands. In the operative paragraphs of that section, the General Assembly:

> 1. *Welcomes* the proposal of a draft constitution emanating from the Territory in 2009, as a result of the work of the United States Virgin Islands Fifth Constitutional Convention, for review by the administering Power, and requests the administering Power to assist the territorial Government in achieving its political, economic and social goals, in particular the successful conclusion of the ongoing internal Constitutional Convention exercise;
>
> 2. *Requests* the administering Power to facilitate the process for approval of the proposed territorial constitution in the United States Congress and its implementation, once agreed upon in the Territory;
>
> 3. *Also requests* the administering Power to assist the Territory by facilitating its work concerning a public education programme, consistent with Article 73 *b* of the Charter, and in that regard calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

4. *Expresses its concern* regarding the continuing negative impact of the Hovensa plant closure;

5. *Reiterates its call* for the inclusion of the Territory in regional programmes of the United Nations Development Programme, consistent with the participation of other Non-Self-Governing Territories;

6. *Welcomes* the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

7. *Recalls* the holding, in 2012, of the meeting of the Inter-Virgin Islands Council between the Territory and the British Virgin Islands.

United Nations A/AC.109/2014/12

General Assembly

Distr.: General
4 March 2014

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Gibraltar

Working paper prepared by the Secretariat

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Note: The information contained in the present working paper has been derived from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter as well as information provided by the Government of Spain and that available in public sources, including those of the territorial Government. Information was transmitted by the administering Power on 10 January 2014. Further details are contained in previous working papers, available from www.un.org/en/decolonization/workingpapers.shtml.

14-25240 (E) 180314

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I. General

1. Gibraltar is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. According to the administering Power, the basis of the current relationship between the Government of the United Kingdom and its Non-Self-Governing Territories is enshrined in the constitution of each Territory; sovereignty over Gibraltar was ceded to the United Kingdom by Spain under the Treaty of Utrecht in 1713, with territorial waters flowing from sovereignty over the land. For its part, Spain claims that, under article 10 of the Treaty, it ceded only the city and castle of Gibraltar, its port, defences and fortresses. Against the backdrop of its long-standing appeal to Spain and the United Kingdom to hold talks on the question of Gibraltar (see resolution 2070 (XX), adopted on 16 December 1965), in 2013 the General Assembly, among other things, urged the Governments of Spain and the United Kingdom, while listening to the interests and aspirations of Gibraltar that are legitimate under international law, to reach, in the spirit of the Brussels Declaration of 27 November 1984, a definitive solution to the question, in the light of the relevant resolutions of the Assembly and applicable principles, and in the spirit of the Charter of the United Nations (see sects. VII and VIII below).

2. The Territory is a narrow peninsula extending southward from the south-west coast of Spain, to which it is connected by an isthmus approximately 1.6 km long. The Spanish port of Algeciras lies 8 km across the bay to the west, and the continent of Africa is situated 32 km across the Strait of Gibraltar to the south. According to the administering Power, the area of Gibraltar is 5.8 km^2; according to Spain, which claims sovereignty over the Territory, it is 4.8 km^2. Issues relating to the isthmus and waters off Gibraltar continue to be a subject of contention.

3. According to the administering Power, in 2012 the population of the Territory was approximately 30,000. The currency of the Territory is the Gibraltar pound, circulating at par with the pound sterling. The Territory's main trading and commercial transactions are with European countries, the United States of America and North African countries. The British Overseas Territories Act 2002 provides for the granting of British citizenship to British overseas territory citizens.

II. Constitutional, legal and political issues

4. Under the Gibraltar Constitution Order 2006, the Governor of Gibraltar, Lieutenant General Sir James Benjamin Dutton, has represented the British Crown in the Territory since December 2013. The Governor is responsible for the conduct of external affairs, defence, internal security (including the police, in conjunction with the Gibraltar Police Authority) and for certain appointments to public office as conferred on him by the Constitution. Following an election, the Governor, at his own discretion, appoints as Chief Minister the elected member of the Parliament who, in his judgement, is most likely to command the greatest measure of confidence of his peers. Other ministers are appointed by the Governor, acting in accordance with the advice of the Chief Minister, from among the elected members of the Parliament. Under the Gibraltar Constitution, the British Crown retains legislative power to make laws from time to time for the peace, order and good government of Gibraltar. The Constitution also makes provisions regarding Crown lands in Gibraltar.

5. Gibraltar has a supreme court allowing for appeals to a court of appeal and subsequently to Her Majesty in Council, acting on the advice of the Privy Council.

6. According to figures from the territorial Government, the Gibraltar Socialist Labour Party/Gibraltar Liberal Party alliance headed by Fabian Picardo won the general elections held on 8 December 2011 with approximately 49 per cent of the votes, against 47 per cent for the Gibraltar Social Democrats. The next election is expected to be held in 2015.

7. In June 2004, after a 10-year campaign to exercise the right to vote in European elections, Gibraltarians took part in European parliamentary elections, based on the fact that they were considered by the administering Power, for electoral purposes, to be part of the south-west England region.

8. The Government of Spain maintains the position that the 2006 Constitution does not affect the international capacity of Gibraltar; that its adoption was a reform of the colonial regime, which remains unaltered; and that it did not affect in any way the pending decolonization process of Gibraltar, to which the principle of territorial integrity applies, not that of self-determination. In this context, the Government of Spain stresses that the participation of Gibraltar in any international instrument must be made through the United Kingdom as the administering Power responsible for the international relations of the Territory, including in the fields of international financial services, human rights and the environment.

9. For its part, the United Kingdom believes that, as a separate Territory recognized by the United Nations and included since 1946 in its list of Non-Self-Governing Territories, Gibraltar enjoys the individual and collective rights accorded by the Charter. The administering Power is clear that the 2006 Constitution sets out the relevant competences for the Governments of the United Kingdom and Gibraltar.

III. Budget

10. According to information provided by the administering Power, as at March 2013 the revenue of the territorial Government was £486 million and its expenditure stood at approximately £371 million. The territorial Government approved £54 million in expenditure on capital projects for 2013-2014, to be funded through the Improvement and Development Fund. The highest possible rate of effective personal tax in Gibraltar is 30 per cent, with the company tax rate at 10 per cent. The Territory's tax regime has become a cause of concern in the context of European Union legislation.

IV. Economic conditions

A. General

11. Gibraltar has no known natural resources and lacks agricultural land. The economy has increasingly focused on tourism and the provision of financial services, including banking, insurance, shipping and portfolio management, in addition to online gaming. According to information provided by the administering Power, the gross domestic product of Gibraltar grew to approximately £1.138 billion in 2011-2012, with an estimated gross domestic product per capita of £38,000.

12. Before 1980, the economy was largely dependent on expenditure by the Ministry of Defence of the United Kingdom. According to the administering Power, the situation changed dramatically over the years as United Kingdom military spending went from accounting for 60 per cent of the Gibraltarian economy to accounting for less than 6 per cent. In 2013, the Ministry employed some 600 people out of a workforce of about 20,000.

B. Trade

13. In 2012, the Territory's total imports amounted to approximately £2.286 billion. Some 31 per cent of non-fuel imports originate from the United Kingdom, with other sources including Germany, the Netherlands and Spain. The Territory's total exports for 2012 were approximately £1.908 billion. Exports continued to be mainly re-exports of petroleum and petroleum products supplied to shipping.

14. In this connection, in 2013 the Government of Spain repeatedly denounced the alarming rate of supplies of fuel taken at sea from tanks on ships from Gibraltar (a process known as "bunkering") as a serious environmental hazard in such a transited area as the Strait of Gibraltar.

15. For its part, the Government of the United Kingdom notes that the bunkering industry in Gibraltar is a well-regulated and legal commercial activity that meets the marine pollution regulations of the International Maritime Organization and has a strong environmental record.

C. Banking and financial services

16. According to the administering Power, Gibraltar has a well-developed private financial sector that is regulated by the Financial Services Commission, while the Gibraltar Finance Centre is responsible for the marketing and promotion of international financial services. By the end of 2013, the Territory had signed 27 tax information exchange agreements. Eighteen banks operate in Gibraltar. In 2013-2014, the United Kingdom extended to Gibraltar the Multilateral Memorandum of Understanding concerning Consultation and Cooperation and the Exchange of Information of the International Organization of Securities Commissions.

D. Transportation, communications and utilities

17. Enhancements to road transportation arrangements in and out of Gibraltar were agreed upon at talks held in Córdoba, Spain, in 2006. They included the introduction at the fence/frontier of lanes in both directions, and red and green channels for both people and vehicles. Customs and police checks remain necessary, given that Gibraltar does not belong to the European Union Customs Union. Moreover, the United Kingdom (and thus Gibraltar) does not belong to the Schengen area for external border control purposes.

18. According to the administering Power, since 26 July 2013, following the laying of an artificial reef for environmental purposes by the Government of Gibraltar, the Government of Spain has imposed disproportionate and time-consuming checks at the border between Gibraltar and Spain, leading to delays of up to seven hours.

19. For its part, Spain stresses that the checks at the fence are in no manner politically motivated and are carried out only to ensure strict compliance with Spanish and European Union legislation, in accordance with the principles of randomness, proportionality and non-discrimination. The checks are essential for Spain to fulfil its obligations vis-à-vis the whole of the European Union and are especially necessary taking into account that in the area illicit trafficking of different sorts is common (see para. 31 below) and that Gibraltar is neither in the Schengen area nor in the European Union Customs Union. Moreover, Spain underlines that the police and customs checkpoint at La Línea de la Concepción (the fence) does not correspond to the demarcation of the border recognized by Spain in accordance with the Treaty of Utrecht (see para. 1 above).

20. The United Kingdom continues to be responsible for all international obligations relating to aviation safety and security in respect of the airport, a military airfield available for civilian flights, with the Ministry of Defence retaining ownership of and operational responsibility for the military aviation aspects of the airfield. According to the administering Power, legislation enacted by the Gibraltar Parliament provides for civil aviation safety and security, making civil aviation a responsibility of the Government of Gibraltar. Such responsibility continues to be rejected by Spain. Spain holds the position that the occupation by the United Kingdom of the isthmus on which the airfield was built is illegal and that it does not comply with public international law because it is not included among the areas ceded by the Treaty of Utrecht. For its part, the United Kingdom is confident that its sovereignty over the whole of the territory of Gibraltar is based on the Treaty of Utrecht and continuous possession over a long period of time.

21. The Strait of Gibraltar is a principal water route; the Territory's port facilities are used by many long-distance liners and cargo ships. According to the United Kingdom, it applies a 3-mile area for British Gibraltar territorial waters (or less where the median line with other territorial waters applies), in line with the United Nations Convention on the Law of the Sea. According to Spain, it exerts its sovereign rights and jurisdiction over its territorial waters, including all maritime areas around Gibraltar (with the only exception being its port facilities).

22. The administering Power regularly protests to the Government of Spain about illegal incursions into British Gibraltar territorial waters by Spanish State vessels, citing violations of article 19 of the United Nations Convention on the Law of the Sea, on the meaning of innocent passage, and of the Convention on the International Regulations for Preventing Collisions at Sea, under which power-driven vessels are required to show lights between sunset and sunrise.

23. For its part, Spain states that what the United Kingdom describes as "illegal incursions" by Spanish vessels are routine activities of its ships in Spanish waters (see para. 1).

E. Tourism

24. In 2012, the tourism sector recorded an increase to almost 12 million visitors. Arrivals by land comprise mainly day visitors arriving from Spain; arrivals by air are primarily tourists from the United Kingdom; and arrivals by sea include visitors arriving by ferry from Morocco and on day trips from cruise ships.

V. Social conditions

A. Labour

25. As at October 2012, there were approximately 21,500 employee jobs in the Territory, including, from the largest industrial sectors, some 2,000 jobs in building and construction, more than 3,100 in banking and finance, more than 2,800 in gambling and betting and almost 3,000 in the retail trade. The unemployment rate stood at 3.7 per cent of the workforce.

B. Social security and welfare

26. The social security and welfare sectors in Gibraltar continue to be governed by various social security acts, as mentioned in previous working papers, covering areas such as employment injury, disablement and industrial death benefits, maternity grants and allowances, death grants, old age pensions, survivor's benefits and guardian's allowances.

C. Public health

27. The Gibraltar Health Authority, a department of the territorial Government, is responsible for providing health care in the Territory, which during 2012-2013 had no infant mortality. The territorial Government continues to deal with the needs of the elderly.

D. Education

28. Education in Gibraltar is free and compulsory for children between 4 and 15 years of age. The language of instruction is English. Public education comprises 11 primary and two secondary schools, in addition to the Gibraltar College of Further Education and the Vocational Training Centre, serving more than 5,000 students. The Territory's literacy rate is assumed to be nearly 100 per cent.

29. Government expenditure on education during the year ending in March 2013 was almost £34 million, with expenditure on improving school buildings in the region of £2 million. Students who obtain a place at a university in the United Kingdom are entitled to scholarships from the Government of Gibraltar. According to the territorial Government, in 2012-2013, 833 students attended universities in the United Kingdom.

E. Crime and public safety

30. Law enforcement in the Territory is the responsibility of the Royal Gibraltar Police, in conjunction with the Gibraltar Police Authority. The Governor has overall, ultimate responsibility for the integrity, probity and independence of policing in Gibraltar and for the policing aspects of national security, including internal security.

31. The 2012-2013 annual report of the Gibraltar Police Authority indicates that the figures for overall recorded crime dropped by 18 per cent for the period under review to approximately 3,700. This reduction is across all crime sectors, including serious crimes, drug-related crimes and traffic offences. In 2012, a Gibraltar Police Authority survey identified tobacco smuggling as an issue to be addressed in police planning. According to figures provided by Spain, tobacco smuggling originating from the Territory increased by 213 per cent between 2010 and 2012, reaching in 2013 a total of almost 1 million packs of cigarettes.

32. According to the administering Power, the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, a convention under the auspices of the Organization for Economic Cooperation and Development, has been extended to Gibraltar. Focused on the supply side of the bribery transaction, it establishes legally binding standards to criminalize such bribery and provides for a host of related measures to make this effective.

F. Human rights

33. The following major international human rights instruments apply in Gibraltar: the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; and the European Convention for the Protection of Human Rights and Fundamental Freedoms. The Constitution of the Territory includes a chapter on the fundamental rights and freedoms of the individual. At the request of the Government of Gibraltar in 2013, the United Kingdom is in the process of extending the Convention on the Elimination of All Forms of Discrimination against Women to the Territory.

VI. Forum for Dialogue on Gibraltar

34. Negotiations between the United Kingdom and Spain on the subject of Gibraltar led in 2004 to the establishment of the Forum for Dialogue on Gibraltar. Since 2010, no meetings have been held. In 2012-2013, the United Kingdom expressed the desire to continue with the Forum and, as an alternative, offered an informal, ad hoc dialogue involving, as appropriate, all relevant parties to the issues under discussion. While accepting that the establishment of ad hoc groups involving all relevant parties might be an appropriate manner to deal with some specific issues under discussion, Spain expressed the position that the Forum no longer exists and should be replaced with a new mechanism for local cooperation in the interest of social well-being and regional economic development, in which the people of the Campo de Gibraltar and Gibraltar are represented.

35. For its part, the Government of the United Kingdom suggested ad hoc talks in April 2012, with a flexible format for discussions to accommodate Spanish concerns on representation, enabling an impasse on lateralisms to be put to one side. As at February 2013, the United Kingdom was awaiting confirmation that the Government of Spain was willing to pursue dialogue on those terms. In that regard, the Government of Spain points out that it has accepted the format and is endeavouring to reach an agreement with the Government of the United Kingdom on the terms under which the ad hoc talks would be carried out.

VII. Future status of the Territory

A. Position of the administering Power

36. In a statement in exercise of the right of reply before the Special Political and Decolonization Committee (Fourth Committee) of the General Assembly, on 9 October 2013, the representative of the United Kingdom, the administering Power, inter alia, recalled that the United Kingdom had sovereignty over Gibraltar and the territorial waters surrounding it and that, as a separate Territory, Gibraltar enjoyed the individual and collective rights accorded by the Charter. The 2006 Gibraltar Constitution provided for a modern and mature relationship between Gibraltar and the United Kingdom, not one based on colonialism. The United Kingdom would not enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another State against their wishes and would not enter into sovereignty negotiations which they opposed.

37. He went on to say that the United Kingdom and Gibraltar wished to continue to take part in the trilateral Forum for Dialogue, which was the most credible, constructive and practical means of strengthening relations between the United Kingdom, Gibraltar and Spain for the benefit of all parties. The United Kingdom regretted that Spain had withdrawn from those talks in 2011. However, following a proposal by the United Kingdom and Gibraltar to Spain in April 2012, his country had noted a constructive move to ad hoc talks with the aim of strengthening cooperation.

38. Furthermore, the United Kingdom denied the allegations that it had illegally occupied the isthmus and the waters surrounding it. Pursuant to the United Nations Convention on the Law of the Sea, territorial waters flowed from sovereignty over the land. When land was ceded, as under the Treaty of Utrecht, sovereignty over the corresponding waters followed. The United Kingdom was therefore assured of its sovereignty over British Gibraltar territorial waters. The United Kingdom would continue to uphold British sovereignty and would use a range of proportionate naval, police and diplomatic responses to incursions and other incidents.

39. In conclusion, he stated that the United Kingdom also denied the allegations concerning the positioning of concrete blocks in the Bay of Gibraltar. Creation of the reef was legal and was part of the Government of Gibraltar's long-term marine environment management plan to improve fish stocks and regenerate habitat. The use of inert concrete blocks to create artificial reefs was consistent with international best practice and, in his view, with Spain's own approach to artificial reefs.

40. In reply to the statement by the representative of Spain at the same meeting, the representative of the United Kingdom reiterated that, under international law, territorial waters flowed from sovereignty over the land. The United Kingdom was therefore assured of its sovereignty over Gibraltar's territorial waters (see A/C.4/68/SR.5).

B. Position of the territorial Government

41. On 9 October 2013, addressing the Fourth Committee, the Chief Minister of Gibraltar said, inter alia, that, 50 years after Gibraltar's representatives had told the Special Committee on decolonization that their aim was self-government, a status

had been achieved that was self-government, short of independence. If the General Assembly agreed with that statement, then it should remove Gibraltar from the list of Non-Self-Governing Territories, and if it did not, then the Fourth Committee and the Special Committee on decolonization should assist in addressing whatever shortcomings needed to be addressed in the Territory's Constitution.

42. In his view, it was not true that certain colonial situations were special and particular owing to sovereignty disputes, as maintained by Spain, and by Argentina in the case of the Falkland Islands question, which were making a concerted effort to create a doctrine that had no basis in resolutions of the United Nations or customary international law. They did so to avoid the application of the inalienable right of self-determination to the peoples of Gibraltar and the Falkland Islands.

43. The speaker went on to say that, despite the reality of the Gibraltarians as a people wanting nothing other than to be allowed to live without interference, in friendliness with all peoples and in cooperation with their immediate neighbours, in 2013 they had been subjected by Spain to an "unprecedented campaign of incitement to hatred against them, to economic sanctions, physical restrictions at the frontier, police and military invasions of their territorial sea and shots fired against them, and arson and damage directed against their property in Spain". Having rejected the promising trilateral Forum for Dialogue and intending to unravel the agreements reached under it, the current Government of Spain had taken 18 months to accept the proposal of ad hoc contacts to address areas of potential mutual benefit and understanding. The speaker concluded that there could be no negotiated transfer of sovereignty under the Brussels Process because the people of Gibraltar were never going to consent to any such discussion or transfer (see A/C.4/68/SR.5).

C. Position of the Government of Spain

44. Addressing the General Assembly on 25 September 2013, the Prime Minister of Spain, Mariano Rajoy Brey, stated, among other things, that the Assembly had developed a consolidated, universal legal doctrine on decolonization, which Spain had embraced wholeheartedly. Once again, he had to place before the Assembly the question of Gibraltar, a British colony, which the Organization had included in 1963 in the list of Non-Self-Governing Territories awaiting decolonization, the only such territory in Europe, and one that affected the territorial integrity of Spain. He went on to say that, since that time, the United Kingdom had ignored the mandate of the Assembly and the commitment made to Spain in the 1984 Brussels Declaration. Furthermore, in his view, the prevailing colonial anachronism continued to inconvenience the citizens of Gibraltar and the surrounding area. Resting its case on the legitimacy granted by the universal decolonization doctrine of the Assembly, Spain once again reiterated its call upon the United Kingdom to resume bilateral dialogue and regional cooperation.

45. On 9 October 2013, the Permanent Representative of Spain made a statement before the Fourth Committee stating, inter alia, that the principle of territorial integrity applied to the question of Gibraltar, as the General Assembly had made clear in its relevant resolutions, and that bilateral negotiations between Spain and the United Kingdom must respect that principle. For Spain, the solution was the restitution of both the territory transferred from Spain under the Treaty of Utrecht and the land later occupied illegally by the United Kingdom, in particular the

isthmus and surrounding waters. The interests of the people of Gibraltar must be taken into account and, in the negotiations with Spain, the United Kingdom was responsible for those interests as the administering Power. However, Gibraltar could not be a party to sovereignty talks, and as the United Kingdom had admitted repeatedly, under the Treaty there could be no independence for Gibraltar without the consent of Spain. The principle of self-determination did not apply in the case of Gibraltar.

46. He went on to say that tension between Spain and the colony had worsened since 2012, when the authorities of Gibraltar had terminated the informal 1999 agreement with the Spanish fishermen's associations. In the summer of 2013, concrete blocks had been placed in waters that Spain considered its own, and work had continued on a wharf on the eastern side of the Rock, expanding the Territory. In the speaker's view, it was the British desire to artificially create a new reality on the ground that was behind all such problems.

47. For its part, Spain was willing to maintain good relations with the United Kingdom in accordance with international law and established doctrine. Spain did not accept the trilateral Forum for Dialogue, which had become a tool for advancing Gibraltar's claim to sovereignty, but viewed the British proposal of an ad hoc dialogue positively, as it could create a framework for greater regional and local cooperation. The speaker concluded by saying that the United Kingdom, a friend and ally, should restart bilateral dialogue on issues of sovereignty, considering the particularities of the case.

48. In exercise of the right of reply to remarks made by the representative of the United Kingdom at the same meeting, the representative of Spain stated that the position of Spain regarding the areas ceded to Great Britain under the Treaty of Utrecht remained unchanged. Spain did not acknowledge that the United Kingdom had any rights to the land, air and sea not included in article 10 of the Treaty, under which only the city and castle of Gibraltar, its port, defences and fortresses, had been ceded. He went on to say that the isthmus had not been ceded by Spain to the United Kingdom under the Treaty of Utrecht and had always been under Spanish sovereignty. Continued occupation by the British did not meet the requirements of international law for the acquisition of sovereignty. Spain therefore understood that the occupation of the isthmus was illegal and ran counter to international law. Furthermore, he said that his Government did not share at all the interpretation made by the representative of the United Kingdom about the application of the United Nations Convention on the Law of the Sea to the waters surrounding Gibraltar (see A/C.4/68/SR.5).

D. Negotiations between the United Kingdom and Spain

49. Within the framework of the Brussels Process, which is separate from the Forum for Dialogue, no bilateral negotiations were held in 2013. The United Kingdom has made it clear that no sovereignty-related talks can be entered into without the consent of Gibraltar, nor can it enter into a process of sovereignty negotiations with which Gibraltar is not content.

50. For its part, the Government of Spain continued to demand the renewal of bilateral sovereignty talks with the Government of the United Kingdom. It considers that the position of the United Kingdom goes against the doctrine established in the

relevant General Assembly resolutions and against the commitment made with Spain in the Brussels Declaration of 1984.

E. Discussions between the United Kingdom and Gibraltar

51. The Governments of the United Kingdom and Gibraltar have both recognized that the current Constitution provides for a modern and mature constitutional relationship between the two sides, one which is not based on colonialism. Both Governments believe that the delisting and decolonization criteria of the United Nations are anachronistic, and recognize that, under Article 73 *e* of the Charter, the United Kingdom is obliged to continue to submit annual reports until such time as the General Assembly removes a Territory from its list of Non-Self-Governing Territories.

VIII. Consideration by the United Nations

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

52. A representative of Spain attended the Caribbean regional seminar on the implementation of the Third International Decade for the Eradication of Colonialism, held in Quito from 28 to 30 May 2013, and made a statement, as did a representative of Gibraltar (see A/68/23).

53. The Special Committee, which discussed the question of Gibraltar in a meeting held on 12 June 2013, had before it the 2013 working paper prepared by the Secretariat concerning the Territory (A/AC.109/2013/15). As reflected in the summary record of the meeting (A/AC.109/2013/SR.4), statements were made by the representative of Spain, the Chief Minister of Gibraltar and a civil society organization. On the proposal of the Chair, the Committee decided to resume the consideration of the question at its next session and to transmit the relevant documentation to the General Assembly in order to facilitate the consideration of the question by the Fourth Committee.

B. Special Political and Decolonization Committee (Fourth Committee)

54. The Fourth Committee of the General Assembly considered the question of Gibraltar on 9 October 2013. As reflected in the summary record of the meeting (see A/C.4/68/SR.5), the Committee heard a statement by the Chief Minister of Gibraltar. At the same meeting, statements were made by Spain and, in exercise of the right of reply, the United Kingdom, who referred to the statement made by the representative of Spain.

55. On 11 October 2013, the representative of the United Kingdom stated, among other things, that his country would, despite recent increased pressure on Gibraltar from Spain, continue to respect the wishes of the people of Gibraltar in all matters,

including ad hoc talks involving the United Kingdom, Spain and Gibraltar (see A/C.4/68/SR.7).

56. On 14 October 2013, Spain made a statement in exercise of the right of reply, indicating that the current situation in Gibraltar was the result of the local authorities' confrontational approach to regional cooperation. They had blocked Spanish fishing by dumping concrete blocks and not kept their commitments in counter-smuggling efforts, forcing Spain to step up its own security in the region, pursuant to domestic and European legislation. However, his Government was willing to continue discussing the terms of ad hoc meetings between Spain and the United Kingdom, with the participation of local and regional authorities from both sides of the line, to re-establish regional cooperation. Regarding sovereignty over Gibraltar, the United Nations mandate was very clear: the United Kingdom and Spain should negotiate. Any colonial situation that partially or totally destroyed the national unity and territorial integrity of any country was incompatible with the purposes and principles of the Charter (see A/C.4/68/SR.8).

57. At its meeting on 25 October 2013, the Fourth Committee adopted without a vote a draft decision on the question of Gibraltar (A/C.4/68/L.6), which was submitted by the Chair of the Committee (see A/C.4/68/SR.14).

58. In a letter dated 10 October 2013 addressed to the Chair of the Fourth Committee, the Permanent Representative of Spain firmly rejected the statements made the previous day by the Chief Minister of Gibraltar during his address to the Fourth Committee as "unacceptable because they contained flagrant falsehoods and serious insults against the Spanish people, authorities and media" (A/C.4/68/7).

C. Action by the General Assembly

59. On 11 December 2013, the General Assembly, on the recommendation of the Fourth Committee, adopted, without a vote, decision 68/523 on the question of Gibraltar. The decision reads as follows:

> The General Assembly, recalling its decision 67/530 of 18 December 2012:
>
> (a) Urges the Governments of Spain and the United Kingdom of Great Britain and Northern Ireland, while listening to the interests and aspirations of Gibraltar that are legitimate under international law, to reach, in the spirit of the Brussels Declaration of 27 November 1984, a definitive solution to the question of Gibraltar, in the light of the relevant resolutions of the General Assembly and applicable principles, and in the spirit of the Charter of the United Nations;
>
> (b) Takes note of the desire of the United Kingdom to continue with the trilateral Forum for Dialogue on Gibraltar;
>
> (c) Takes note of the position of Spain that the Forum does not exist any longer and should be replaced with a new mechanism for local cooperation in the interest of social well-being and regional economic development, in which the people of the Campo de Gibraltar and Gibraltar are represented;
>
> (d) Takes note of efforts made by both parties to resolve current problems and to engage in a flexible and responsive form of dialogue between all relevant and appropriate parties, on an informal ad hoc basis, in order to find common solutions and make progress on issues of mutual benefit.